



MULTISTATE TAX COMMISSION

**Uniformity Committee Meeting**

Monday, July 27, 2020

2:00 P.M. – 5:00 P.M. Eastern

(Held via Video Conference)

**New Project Staff Report [Prototype]**

Helen Hecht, MTC Uniformity Counsel

Name	General Issue	Description of Proposed Work	Other Information
Update RAR/ Partnership Provisions to Address Refunds	Clarify how partnerships claiming refunds through the administrative adjustment request (AAR) can claim state refunds.	<ul style="list-style-type: none"> <li>• Determine how the states should treat such refunds and what the model currently provides.</li> <li>• Draft language or add provisions as necessary to clarify the treatment of these refunds.</li> </ul>	Members of the public and the interested parties that previously helped draft the partnership provisions will suggest possible wording of clarifications.
Model RAR/ Partnership Regu- lations	States will likely need administrative rules for implementing the provisions of the model RAR/ partnership statute provisions.	<ul style="list-style-type: none"> <li>• Conduct information sessions for states to review the RAR/ partnership statute provisions</li> <li>• Review federal regulations and consider whether similar state regulations might be useful</li> <li>• Monitor issues as they come up at the state level and propose administrative approaches</li> </ul>	When the committee began the project to revise the RAR model to include provisions addressing the federal partnership audit adjustments, there was an expectation that regulations would also be needed. However, drafting regulations was deferred until audits began so states could get a better feel for the kinds of regulations that might be necessary.
State-Level Centralized Partnership Audit Project	States have shown an interest in having the same authority to audit and assess tax on partnerships that the federal government now has.	<ul style="list-style-type: none"> <li>• Survey states to see how many would be interested in at least studying the issue.</li> <li>• Consider how many states currently have composite return rules and whether requirements imposed might affect how state partnership audits could be done.</li> <li>• Look at states that have adopted centralized partnership audits and how their process works.</li> <li>• Prepare an outline of issues to be addressed either through a model statute or through potential alternative provisions.</li> </ul>	Some states have shown an interest in being able to audit certain state tax issues affecting partnerships through a centralized process similar to the federal audit process. Taxpayers and practitioners may be more comfortable with this approach now that the federal government has adopted it.

Annual Meeting – July 27, 2020

By Video Conference

Name	General Issue	Description of Potential Work	Other Information
Updating Broadcasting and Publishing Industry Regulations	The model regulations need to be updated to address Internet related activities that compete with traditional broadcasting and publishing.	<ul style="list-style-type: none"> <li>• Consider how to update the existing regulations to cover similar activities conducted over the Internet.</li> <li>• Research existing state regulations and draft model provisions.</li> </ul>	This issue comes up on a regular basis in the context of audits.
Study State Taxes on Advertising Activity	States are considering enacting taxes on digital and other forms of advertising that may currently not be subject to sales and use taxes.	<ul style="list-style-type: none"> <li>• Research and analyze the different forms of tax that have been considered.</li> <li>• Survey the literature on the policy and other issues related to these taxes.</li> <li>• Consider impact of constitutional of federal law on such taxes.</li> </ul>	This is an emerging issue which could benefit from the experience of states with broad-based gross sales or other taxes that have included advertising.
Monitoring Developments in Wayfair/ Marketplace Implementation	States are continuing to implement sales and use tax collection requirements on remote businesses and marketplaces and there is a need to continue to share problems and potential solutions.	<ul style="list-style-type: none"> <li>• Continue to monitor and report on both issues and developments</li> </ul>	This is an ongoing project that may identify issues on which the committee would like to focus.